

#### 4.1.0 VERIFICATION

The W-2 agency must verify the level of income and assets for applicants and participants. The agency must also verify nonfinancial information to determine whether or not an applicant/participant qualifies for employment services, case management, or a Job Access Loan. Acceptable verification consists of a written or oral statement from a third party supporting the individual's statement. (See IM Manual, Chapter I, Part C for acceptable verification) At a minimum, the following information must be verified:

- Identity and age;
- Residence of the W-2 group;
- Marital status;
- Custody of child(ren);
- Citizenship status or alien status, if not a citizen;
- Social security number or SSN application;
- Income sources and amounts;
- Assets;
- Household composition (including temporary absence of children);
- School attendance for Learnfare; (See 12.0.0)
- Limitations and barriers to employment (under most circumstances, must be verified by a qualified assessing agency);
- Missed hours of assigned activities; and
- Good cause for missed hours of assigned activities and sanctionable activities which could result in an hourly reduction or strike. (See 11.3.0)

The applicant or participant has the primary responsibility for providing verification and resolving questionable information. The agency must determine if the information provided verifies the applicant/participant's statement. The W-2 agency may assist the applicant/ participant in obtaining needed documents to expedite the verification process.

Questionable verification or reporting supplied at application must be referred for fraud prevention. Questionable verification or reporting by participants must be referred for fraud investigation.

The applicant or participant has seven working days from the date the verification request is made to provide the needed verification. The participant must be informed in writing of the verification items required, including the due date. If the individual fails to provide verification, the application may be denied or the W-2 case may be closed. If the individual has made a reasonable effort and cannot obtain required information, the application must not be denied based on the information that could not be obtained. The agency must use the available information to process the case.

If the individual does not have the power to produce verification, or requires assistance to do so, the W-2 agency must proceed immediately to seek the verification. No eligibility shall exist when an individual has the power to produce required verification, but refuses or fails to do so.

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If extenuating circumstances exist that make the verification requirements unduly burdensome, the W-2 agency may extend the verification due date. The verification due date may be extended up to 30 days from the initial request for W-2 services.

#### **4.1.1 Verification for Medical Assistance and Food Stamps**

The verification due date for Medical Assistance and food stamp eligibility is 30 days from the date of the application. The agency must not delay a decision on food stamps or Medical Assistance while a decision is pending on W-2 payments. Screening for priority services must be completed for each application that includes a request for food stamps.

#### **4.1.2 Record of Verification**

The W-2 agency must maintain a confidential record of verification provided by the participant by making a photocopy or documenting the type of verification accepted, and recording the date and initials of agency staff who checked the information. The Department, county and tribal social and human services and W-2 agencies may photocopy vital records; including, birth, death, marriage, divorce/annulment certificates and related data. Mark the copy "for administrative use."

Documentation is an important part of case processing. In the instance of fact finding or review of a decision, the agency must have a record of actions, conversations and meetings with each case worker to support its actions. The agency must always keep a copy of correspondence as part of case documentation. Documentation also allows for prosecution or recovery of fraudulently received payments and will enable the Department to monitor the quality of service provided by the agency to W-2 customers.

Wisconsin statute 49.84 requires that the signature of the applicant be witnessed by an agency representative. (See IM Manual Chapter I, Part A, 18.0.0)

#### **4.1.3 Request for Information from Third Party Sources**

A W-2 agency has statutory authority [s. 49.143(5)] to request information from any person it deems appropriate and necessary for the administration of W-2. However, the W-2 agency is required to keep all information confidential. Cooperation of the third party is required within seven working days of the agency's request. The W-2 agency may extend the seven working day time limit if it is unduly burdensome. The statute does not provide for compensation for the third party. The agency may need the applicant's written release to get information from a verification source if the source requires it. The agency must deny or discontinue the payments if the W-2 group refuses to sign a written release of information needed to obtain verification necessary for eligibility determination. However, applicants and participants must in no way be penalized when they attempt to complete eligibility requirements but other entities delay fulfillment of those requirements. The FEP should not delay eligibility determination while waiting for information from a third party. Instead, the FEP must use the best available information (including consulting with appropriate

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agencies such as DVR as necessary) at the time of application. Eligibility must be reassessed when information from third party sources is received.

#### **4.1.4 Information to Law Enforcement**

If a law enforcement officer believes, on reasonable grounds, that a warrant has been issued and is outstanding for the arrest of a W-2 participant, the W-2 worker, at the request of the law enforcement office, may notify a law enforcement officer when the participant appears to obtain his or her W-2 payment.

A W-2 agency may release the current address of W-2 participants to a law enforcement officer who meets all of the following conditions:

1. The officer provides, in writing the name of the recipient; and
2. The officer demonstrates, in writing the following:
  - a. The recipient
    - Is a fugitive felon under 42 USC 602(a)(9);
    - Is violating probation or parole imposed under state or federal law; or
    - Has information that is necessary for the officer to conduct his or her official duties.
  - b. That the location or apprehension of the participant is within the official duties of the officer.
  - c. The officer is making the request in the proper exercise of his or her duties.

#### **4.1.5 Income and Eligibility Verification System (IEVS)**

The federal block grant program which created the Temporary Assistance for Needy Families (TANF) program requires the W-2 agency to obtain state and federal wage and tax record matches to verify report of income and assets. The IEVS matches and other reports that are currently in place will meet this requirement. (See the Income Maintenance Manual - Chapter I, Part C)

### **4.2.0 FRAUD**

#### **4.2.1 Program Integrity**

The W-2 agency is responsible for ensuring the integrity of the program it administers. To accomplish this responsibility, the W-2 agency must operate a prevention program to identify and prevent errors/fraud at application, and investigate or refer for investigation, possible fraud by participants or providers.

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Fraud is defined as anyone who, with knowledge and purpose, makes false statements, suppresses facts, misrepresents circumstances, or fails to report a change in circumstance in order to obtain a W-2 payment (including child care or Job Access Loan) or obtain a payment for services provided.

An example of participant fraud is when an individual reports being unemployed during a period of time an employer reported earnings for that individual. A misstatement due to an individual's misunderstanding on what constitutes income may not be considered fraud. An example of provider fraud may include failure on behalf of a W-2 subcontractor to keep accurate or adequate records.

Certain situations may give the W-2 agency reason to attempt to prevent possible fraud, such as reported expenditures that exceed the level of income reported for the household, reluctance to provide needed information about resources or income, or lengthy unexplained absences from the residence and difficulty in contacting the person to obtain information. The agency may request multiple documents to verify one item if it is believed to be fraudulent. The documentation of items provided, to whom, and on what date, allows for recovery of or potential prosecution for fraudulently received payments or services, proper case disposition or assessment of program penalties.

When investigating possible fraud, the agency must give the individual opportunity to respond to the allegation.

### 4.2.2 Fraud Prevention

The prevention program, most often referred to as Front-End Verification (FEV) mainly involves intensive verification of error-prone case characteristics or questionable eligibility information provided by applicants for W-2 payments and services including employment position payments, Job Access Loans and child care assistance. Prevention activities provide additional documentation of both financial and nonfinancial eligibility information as appropriate for each questionable case including, but not limited to, income, assets, identity, residence, and household composition.

The prevention process is appropriate for applicants who have not yet been determined eligible for W-2 programs. Its purpose is to prevent fraud, waste and abuse in the W-2 program by verifying ineligibility before payments are lost due to false reporting. W-2 agencies are responsible for ensuring that enhanced verification is conducted when information supplied by applicants is questionable or error-prone characteristics are present. Most agencies will have staff specifically assigned to prevention activities, however W-2 agencies have the flexibility to contract out this function. Prevention procedures involve consulting more resources and obtaining increased documentation than normally required of the Financial and Employment Planner (FEP) or the Supportive Services Planner (SSP). Prevention specialists should have extensive knowledge of W-2 eligibility requirements, verification procedures, error-prone profiles, and all resources necessary to proficiently verify information.

Verification must be conducted in accordance with the requirements specified in the IM Manual, Chapter I, Part E. A referral for prevention has the same time limits as

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any additional request for verification made by the agency to an applicant. When the agency makes a referral, it may delay determining eligibility by seven working days from the date the FEV referral was made. Applicants who disagree with the findings of the verification process may request a fact finding review by the W-2 agency. (See 19.2.0)

When a W-2 agency or its designee suspects fraudulent reporting or a failure to report a change in circumstances in an ongoing case, the case must be referred for fraud investigation, not FEV. (See 4.2.0)

#### **4.2.3 Fraud Investigation**

W-2 agencies are responsible for timely referral of participants receiving payments or services under ss. 49.141 through 49.161 for investigation when fraud is suspected. When a W-2 agency or its designee has reason to believe that a participant has engaged in fraudulent reporting or a failure to report a change in circumstances, resulting in an overpayment, the case must be referred to fraud investigation, not the prevention program. Fraud investigative activities must be conducted in accordance with the requirements specified in the IM Manual, Chapter II, Part D.

The state has established a fraud investigation service provider in each W-2 geographic region through a contract with each county or tribal authority or through a competitive bidding process. Fraud investigation referrals should be made to the contracted investigative service provider. Fraud referrals must meet the referral criteria identified in the IM Manual, Chapter 1, Part D, 3.0.0.

The W-2 agency is responsible for the complete and accurate reporting of the fraud referral and investigation in CARES. W-2 agencies have the option of establishing local agreements to delegate these activities if appropriate.

The W-2 agency has the first responsibility to determine whether the completed fraud referral returned by the investigative service provider meets the satisfactory criteria identified in the IM Manual. Should a dispute occur between the W-2 agency and the investigative service provider, the dispute must be referred to the Office of Inspector General for resolution.

#### **4.3.0 RECOVERY**

The agency may recover only the amount incorrectly paid to the W-2 group. A notice of recovery must be sent with the amount, period for which it was paid, reason for the recovery, and repayment instructions. (See 10.3.0)

#### **4.4.0 REPORTING CHANGES**

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Participants must notify the W-2 agency of a change in circumstance within 10 calendar days of its occurrence (except for reporting the absence of a child which must be reported within five working days). The agency must respond to reports in a timely manner and keep case data up to date.

Following a change in circumstance, the W-2 agency may terminate W-2 employment position assignments at any time that is reasonable for the participant and the W-2 employer/work training provider. (See 10.2.4.) If income is expected to increase and will remain at the increased level for at least two consecutive months, the agency must enter the change of circumstance and issue a notice of closure.

A final payment is issued to cover CSJ or W-2 activities completed in the current participation period. If no activities have been completed, the agency does not need to send a payment. A final subsidy payment must be sent to a Trial Job employer to cover wages paid to the participant in the final month.

**EXAMPLE:** John reports that he has been offered permanent employment and the employer wants him to begin as soon as possible. The work training provider in charge of his worksite will allow him to leave with five days notice. The agency must end the position after the five days, make appropriate changes in CARES, send notice of the change, and issue a payment for the activities completed in that time period.

Withdrawal of a request for assistance requires that notice be sent to the participant when the action is taken.

### 4.4.1

#### Temporary Absence of a Child

Applicants and participants who meet all financial and nonfinancial requirements may be eligible for a W-2 employment position even if the dependent child(ren) is temporarily absent from the home. To be considered temporarily absent, these three conditions must be met:

1. The child will not be or has not been continuously absent for more than three months; and is expected to return to the parent's household;
2. The child's absence is not the result of removing the child under a dispositional order (s. 48.355, Wis. Stats.) which places custody of the child outside the home, indefinitely or for three or more months;
3. The custodial parent continues to exercise responsibility for the care and control of the child (for example, a parent may maintain care and control when a child is temporarily absent from the home for reasons such as visiting relatives or friends, hospitalization, or treatment, etc.); and

The participant must report the absence of a child within five working days regardless of the number of children in the home. However, the temporary absence of the child may not affect W-2 eligibility if there is at least one dependent child

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remaining in the home. The five day notification period is a TANF requirement and the time frame differs from the W-2 10-day notice of change requirement.

#### **4.5.0 APPLICATION PROCESSING**

Within seven working days of the first meeting with the FEP, or when all verification is in, the FEP must determine the most appropriate rung on the employment ladder for the applicant, with unsubsidized employment as the highest rung. (See 5.1.0.)

#### **4.5.1 W-2 Begin Date**

The W-2 begin date is the date on which W-2 activities actually start. In addition, the W-2 participant's time clock begins or resumes on the W-2 begin date. Activities should begin the day all eligibility verifications are completed and the FEP makes a placement determination.

**EXAMPLE:** Wendy applied for W-2 on January 1. She completed all required verification on January 6 and her FEP placed her in a CSJ. That same day she begins job readiness training and will begin training at her CSJ site in two days. Therefore, her begin date is January 6.

#### **4.5.2 Review of Eligibility**

A W-2 eligibility review is required, at the least, every six months. An Employability Plan review is required as necessary, but must be completed at the end of each assigned placement and at the eligibility review. (See 4.5.2.)

#### **4.6.0 INTERAGENCY TRANSFERS**

##### **4.6.1 Transferring Cases Between Regions In Milwaukee County**

Transferring a case when a W-2 participant moves between Milwaukee County W-2 regions is handled differently dependent upon the following factors:

- Case status;
- W-2 participation in assigned activities;
- The status of the employability plan; and
- Any additional open programs of assistance, i.e. food stamps, Medicaid, and child care.

Generally, when a W-2 participant moves from one Milwaukee County region to another Milwaukee County region, the case transfer is delayed until the participant's current employability plan is completed. However, a participant may request that his or her case be transferred immediately.

If the participant is not participating in assigned activities, the transferring agency should record all nonparticipation and apply any applicable sanctions before

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transferring the case. If a W-2 assistance group closes, the participant should be advised to reapply in the new region.

An Inter-Regional W-2 Participant Transfer Notice form (Private Industry Council form 98-03) has been developed to assure that participants are properly notified to continue with assigned activities until they have met with a FEP in the new region.

When a W-2 participant moves to a new region, there may also be a change in county-administered benefits. Consequently, Milwaukee W-2 agency staff and Milwaukee County Department of Human Services (MCDHS) staff must work together to assure that the transition is completed in a timely, accurate and sensitive manner.

For more detailed information on the Milwaukee transfer policy and CARES processing of transfers, see the Private Industry Council's Operational Procedure 98-03: *Inter-Regional Transfer Procedure for Milwaukee W-2 Agencies & MCDHS*.

### 4.6.2 Transferring Cases To A New W-2 Agency (Outside Milwaukee)

W-2 participants who move from one county to another must re-apply for W-2 services in their new county of residence. When a participant moves to another county and can continue in current activities, the W-2 agency from which the participant is transferring must determine when to terminate the employment position, according to the needs of the agency, W-2 employer/work training provider and participant.

After the W-2 employment position has ended, the agency from which the participant is transferring must terminate the placement on CARES screen ACWI so that CARES will generate the final payment for activities completed during the last participation period. In addition, the agency must terminate all components and activities on CARES screen WPCH and disenroll the individual from the CARES Work Programs subsystem.

The new agency must treat the individual as an applicant for purposes of W-2 services. However, the new agency should consider the participant's prior placement because an individual assessed in the one county is likely to continue in a similar placement when moving elsewhere within the state.

### 4.6.3 Transferring Child Care Cases

Child care cases must be transferred from the originating county/region and referred to the new county/region for a re-evaluation of their continuing eligibility for W-2 child care services. The family must report any changes in circumstances regarding their new work situation, provider, hours of child care needed, co-payment, and other factors which might affect their new child care authorization. If the participant is moving within commuting distance, the two W-2 agencies should work together to assure that child care assistance is not disrupted or impaired, especially if the parent is working and receiving child care only.



#### 4.7.0 CONFIDENTIALITY

Due to the nature of the barriers W-2 participants have, it is often times necessary to obtain highly sensitive, confidential information regarding these barriers. Obtaining this information allows for better coordination of activities, development of the Employability Plan, and the ability to receive attendance records and progress summaries. The laws governing protection of confidentiality of personal health information such as that related to mental health, developmental disabilities, and drug and alcohol treatment are stricter than most other confidentiality rules. In general, they narrowly restrict the disclosure and use of "patient identifying" information to a "bona fide need to know." Patient identifying information is information that reveals that a person is receiving, has received, or has applied for treatment.

These regulations apply to holders, recipients, and seekers of patient identifying information. An individual or program in possession of such information (for example, a federally-assisted substance abuse program) may not release it except as authorized by the patient. Anyone who receives such information from a substance abuse program (for example, a W-2 agency) may not again disclose it without patient consent and cannot retain this information unless absolute patient confidence can be maintained.

However, the restrictions on disclosure do not apply to communications of information between or among personnel having a need for the information in connection with their duties if the communications are:

1. Within a program; or,
2. Between a program and an entity that has direct administrative control over the program.

#### 4.7.1 Requesting Confidential Information About Participants

When requesting confidential information, the FEP must use the *Authorization for Disclosure of Confidential Information* form (DES-10779). This form meets federal and state requirements for the confidential release of information from treatment providers, including alcohol and other drug abuse (AODA) and mental health information.

##### 4.7.1.1 *Documentation in the Participant's Case and CARES Record*

The Department of Workforce Development requires comments as a formal record of case action or program-related information for an individual. Workers should record comments immediately to ensure a sequential history. When comments are warranted, they must be made no later than 24 hours after the action or contact with a participant.

Cross-referencing of sensitive, legally confidential information about barriers must occur in CMCC. However, any legally confidential information must only be generally referenced with further details being secured. Details may be kept in the paper file, but should be in a sealed envelope.

**Examples of Information Documented in CARES:**

1. "Participant has been referred for Mental Health Assessment. The assessment will be completed the week of March 20<sup>th</sup> for a total of 35 hours."
2. "Participant is currently receiving AODA treatment 10 hours per week. See paper file for assessments and treatment notes."
3. "Participant is currently restricted per completed medical capacity form to no more than 30 minutes of continuous sitting or standing. Participant is scheduled for back surgery in two weeks. The doctor estimates a 12-week recovery period. Updated ANDI and AIWP accordingly. Paper file has complete medical information and diagnosis provided by the doctor."

Documentation of sensitive barriers includes, but is not limited to:

1. AODA Treatment
2. Mental Health Treatment
3. Domestic Violence Counseling
4. HIV/AIDS

The specific details of sensitive patient information should always occur in the paper case record. Sensitive participant information may include but is not limited to:

1. Details of Assessments
2. Medical Test Results
3. Treatment Notes
4. Medical Diagnosis

#### **4.7.2**

#### **Participant Confidentiality**

Information concerning W-2 applicants and participants generally must not be disclosed for any reason except when it is necessary for the administration of the W-2 program or, under certain circumstances, when requested by law enforcement officers (see 4.1.4). If the information requested is not directly related to program administration, it must not be provided. See the Income Maintenance Manual Chapter II, Part B for further policy on confidentiality.